

LNF & IHCIF Calculations Illustration - COLORADO RIV in Phoenix area -

Given Data

- 7,659 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 38% = % Expenditures on purchased services, 62% = % expenditures in-house
- 106.3% = Cost index for purchasing health care in this geographic area
- 106.5% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,204 per person for purchased services = $38\% * 106.3\% * \$2,980$
- \$1,968 per person for in-house services = $62\% * 106.5\% * \$2,980$
- \$3,172 per person total = \$1,204 (purchase) + \$1,968 (in-house)
- **\$3,201 per person total** adjusted for health status = $\$3,172 * 100.9\%$
- **\$2,456 per person net cost** = $\$3,201 - \745 Other resources (M&M&PI)

Existing Expenditures (for 7,659 users excluding wrap-around and collections)

- \$1,234 per person = local IHS allowance (excludes \$ for wrap-around)
- \$375 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,663 per person for OU users** = $\$1,234 + \$375 + \$54$

LNF Calculation

- **52.0% Gross LNF** = $\$1,663$ (expenditures) / $\$3,201$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **67.7% Net LNF** = $\$1,663 / \$2,456$ net cost ($\$3,201 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 67.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

COLORADO RIV Unmet Needs

- **\$18,811,835 Net Total Need** = 7,659 users * \$2,456 net cost
- **\$6,073,406 Net Unmet Need** = $(100\% - 67.7\% \text{ LNF}) * 7,659 \text{ users} * \$2,456 \text{ net cost}$